

Preliminary Financial Report

Continuing to execute on strategy to capture the digital migration of local commerce

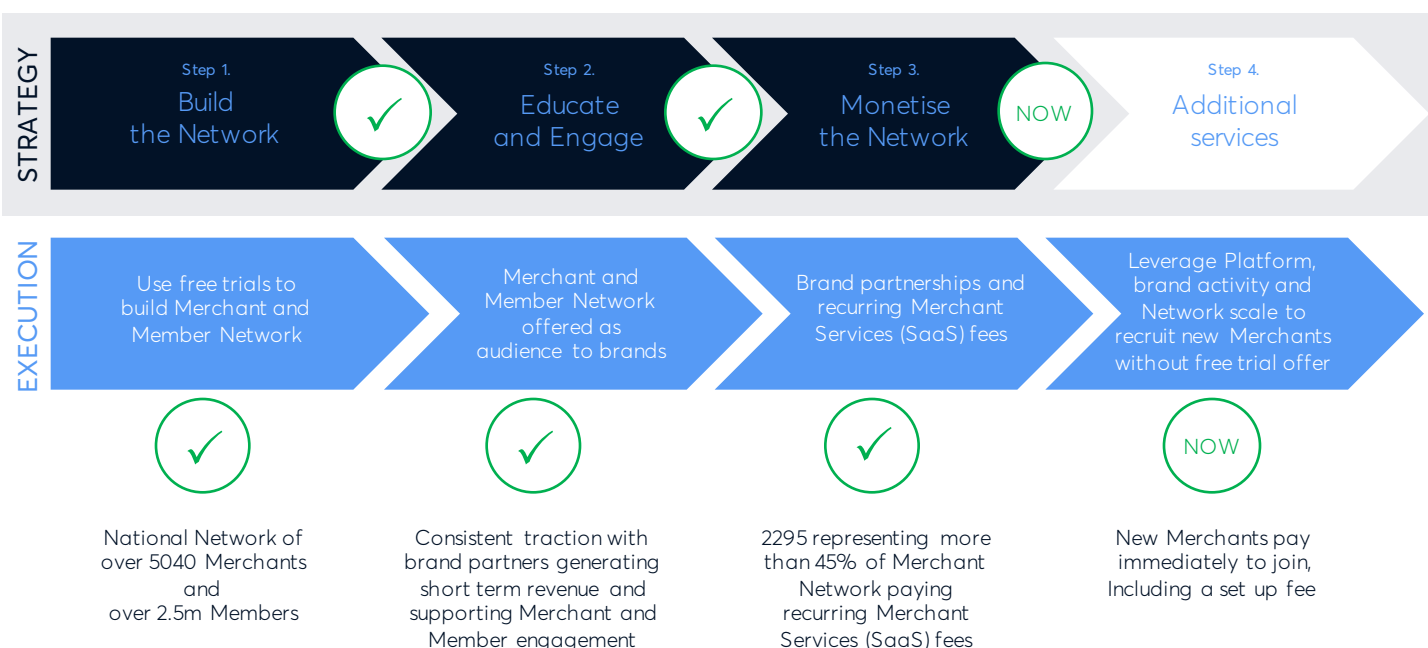
Review of Operations

Rewardle Holdings Limited (ASX: RXH) ("Rewardle" or "Group" or "Company") is pleased to provide preliminary results for the Group for the year ended 30 June 2017. The results were as expected as the business builds on the commercialisation strategy that was initiated in the prior financial year.

Moore Stephens (Vic) Pty Ltd is still in the process of completing the audit of the Group and subject to any adjustments required by the auditors, the preliminary result of the Group for the year ended 30 June 2017 is summarised as follows:

	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$
Revenue	2,624,383	2,280,035	1,238,654
Loss before taxation and extraordinary items	3,776,434	4,516,653	6,280,903
Extraordinary Items	0	0	0
Loss after taxation and extraordinary items	3,776,434	4,516,653	6,280,903

Strategy Progress Summary as at 30 June 2017



Business Highlights and Summary

- ✓ Early mover advantage established through development of proprietary technology platform and building substantial network scale
- ✓ Critical mass established through the recruitment of over 5000 local businesses and over 2.5m Members
- ✓ Network effect powering ongoing organic growth and serving as barrier to entry for potential competitors
- ✓ Over 45% of Rewardle's Merchant Network paying recurring Merchant Services (SaaS) fees
- ✓ 18 months of consistent traction in development of brand advertising and recurring Merchant Services (SaaS) revenue
- ✓ Substantial reduction in operating costs and growing recurring revenue from Merchant Services (SaaS) fees with current annualised run rate of approximately \$1m
- ✓ Multiple opportunities being developed by management to leverage the growing network and platform data into additional revenue streams
- ✓ Scalable technology platform business model with largely fixed costs is designed to deliver highly profitable marginal revenue over time

Rewardle offers investors exposure to the high growth digital marketing and mobile payments sectors.

The Company is uniquely positioned to capture the digital migration of marketing budgets and customer relationships of up to 200,000 local businesses in Australia

Rewardle offers a digital marketing and payments solution to local independent businesses that is underpinned by a proprietary membership, points, rewards and payments platform.

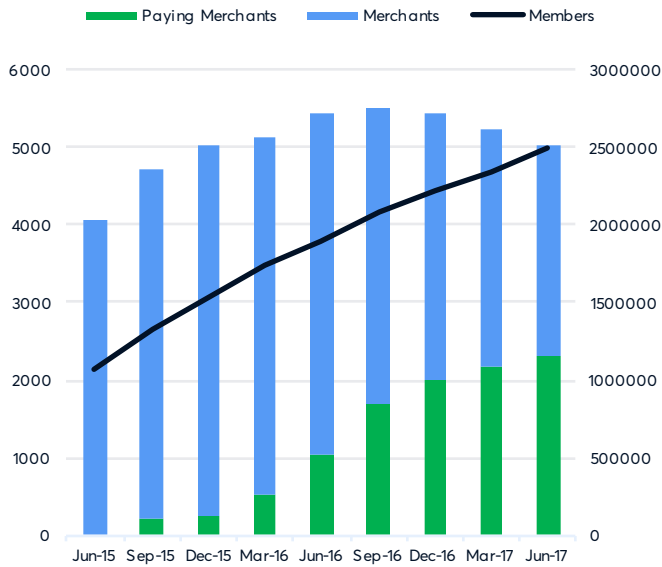
The Company has captured a substantial early mover advantage through platform development and recruitment of over 5000 local businesses and over 2.5m Members since founding in 2012.

Initial monetisation is being demonstrated through consistent brand advertising and growing, recurring, Merchant Services (SaaS) fees.

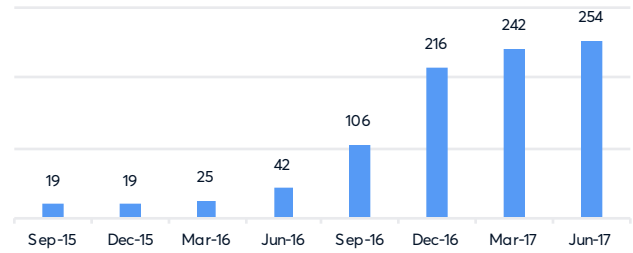
As a highly scalable technology business with largely fixed costs there is substantial potential in development of new revenue streams that leverage the Company's consistently growing network and platform data.

While continuing to build existing revenue streams, management is working on the development of new revenue opportunities through a variety of approaches including building, partnering and acquisition.

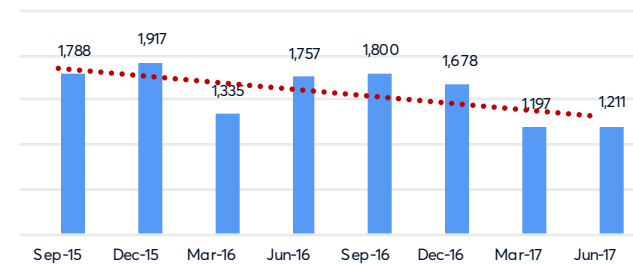
Merchant and Member Network Development



Qtrly SaaS revenue (\$'000)*



Qtrly operating expenses (\$'000)*



*Approximate values based on unaudited management accounts. Qtrly SaaS Revenue excludes bad debt provisions.

Board and Management Transition

As announced to the ASX on 30th May 2017, as part of Rewardle’s development progression from strategic network growth to commercialisation, the Company’s Board was re-aligned for the demands of this phase of growth.

Rewardle founder and Managing Director, Ruwan Weerasooriya assumed the role of Executive Chair, joined by David Niall as an Executive Director and Peter Pawlowitsch as an Independent Non-Executive Director. Key terms and commentary relating to the appointment of new Directors is outlined below:

David Niall – Executive Director (Appointed May 2017)

David Niall has a BSc (Hons) and holds a Master of Business Administration from Harvard Business School. Formerly an executive at Telstra, he has deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. He has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries. David has been consulting to Rewardle with respect to strategy and implementation over recent months and will increase his engagement with the business in his role as an Executive Director.

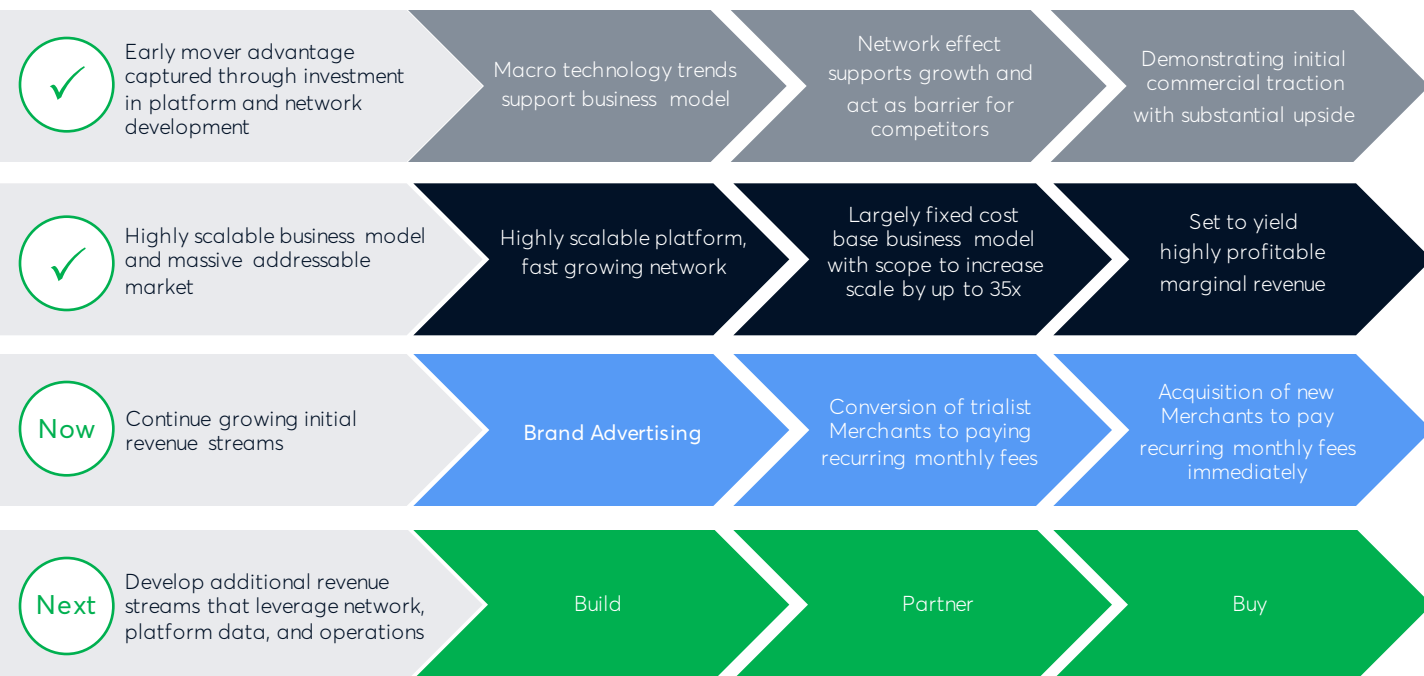
Peter Pawlowitsch – Non-Executive (Appointed May 2017)

Peter Pawlowitsch is Certified Practising Accountant, holds a Master of Business Administration and is an experienced public company director and investor in the technology sector. He is currently chairman of ASX-listed technology companies Dubber Corporation Ltd and Novatti Group Ltd.

Key Strategic Goals

Management has substantially reduced operating costs while maintaining business development capability as demonstrated by consistently developing Merchant Services (SaaS) fees and Brand Partnership income.

During FY18 management remains focussed on aligning operational costs with revenue generation and balancing operating costs against closely monitored revenue targets. Key management goals and an operating budget for FY18 has been approved by the Board and execution will be funded as outlined below.



About Rewardle Holdings Limited

Rewardle is a social network that connects over 2.5 million Members with over 5,000 local businesses around Australia.

The Rewardle Platform is a marketing and transactional platform that combines membership, points, rewards, mobile ordering, payments and social media integration into a single cloud based platform powered by Big Data analysis.

Rewardle is positioned to be a leading player as the worlds of social media, marketing, mobile and payments converge to transform how we connect, share and transact.

The Company is led by an experienced entrepreneurial team with a successful background in Internet and media businesses.

For more information please contact:

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